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SENSITIVE
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USDA FOR FFAS MILLER, FAS FOR OA/BREWER, STOLL
OCRA/ZANIN, OSTA/BEAN
PASS APHIS AND FSIS
PASS USTR FOR JOHN MELLE AND LESLIE O'CONNOR
OTTAWA FOR ROBIN TILSWORTH

E.O. 12958: N/A

TAGS: EAGR ETRD MX TBIO EFIS

SUBJECT: ECONOMIA ON NEXT CCA, MEAT INSPECTION, CSF AND END

(SBU) SUMMARY: This message includes action requests (para 7). Mexican Secretariat of Economy (Economia) envisions holding the next meeting of the Consultative Committee on Agriculture in mid-April in Mexico and wishes to get started on an agenda. Topics high on Mexico's list will include Mexico's desire for a declaration of disease-free areas for classical swine fever (CSF) and exotic Newcastle disease (END). There is keen interest in the stalled meat inspection framework document negotiated by Mexican and U.S. meat inspection authorities. USTR Kirk can expect trucking, tuna and country-of-origin labeling (COOL) to be on his agenda during his upcoming visit to Mexico. Following several ministerial visits from Canada in the last two weeks, Economia is increasingly of the view that coming to common ground on bovine spongiform encephalopathy (BSE) will require a trilateral approach. END SUMMARY.

CCA

(SBU) In an meeting with AgMinCouns January 22, Economia Director General for Conduct and Evaluation of Negotiations Juan Carlos Baker advised that Under Secretary Beatriz Leycegui will be available the second and third weeks of April for a Consultative Committee on Agriculture, and that Economia is engaging the Secretariat of Agriculture (SAGARPA) to firm up a date in that range. With that in mind, Baker said Mexico is looking at what should be on the CCA agenda, mindful of the desire of both sides following the last CCA to make the agenda shorter. Baker said the Mexican side would appreciate hearing back from the U.S. side a list of the most important priority topics along with the U.S. side's sense of what technical issues can be left out as they are being resolved at the technical level. Mexico will be particularly interested in topics where movement is needed, and would like a list of pending issues from the U.S. side.

(SBU) Baker said that at the next CCA Mexico will raise disease-free status for certain areas of Mexico with respect to classical swine fever (CSF) and exotic Newcastle disease (END), as that is a high priority for Mexico both for improved access to the U.S. market and for improvement of Mexico's ability to market pork and poultry to third countries.

(SBU) Baker said that Mexico had hosted multiple Canadian ministers in the past two weeks, with Minister of Agriculture Gerry Ritz having visited Mexico last week. The tone of these meetings, Baker

said, drove home the point that Mexico needs to devote more attention to resolving disagreements with Canada, and by extension the United States, over beef access as it relates to BSE. Baker said he is convinced that a trilateral approach will be necessary but added he is unsure to what degree the Mexican agencies involved are ready for that. Baker noted that the major obstacle to improved access for beef is not SENASICA, the Ministry of Agriculture's veterinary and phytosanitary service, but rather is COFEPRIS, the Ministry of Health's consumer safety service.

USTR KIRK'S UPCOMING VISIT

(SBU) Baker said Mexico will want to discuss trucking, tuna and country-of-origin labeling with USTR Kirk during the upcoming visit to Mexico, "even though we know the reply on COOL will be that we need to let the WTO process run its course." He said shrimp may also be raised in the context of Mexico conceding that it needs to enforce the regulations it said it would, but if so, only in passing. With regard to shrimp, Baker mentioned as an aside that the issue has come to the attention of the Mexican presidential administration, which is ordering relevant agencies to "get moving" on enforcement of the regulations, and is setting deadlines of days rather than weeks or months for action in order to avoid a shutdown of trade in shrimp.

MEAT INSPECTION

(SBU) Mexico is keenly interested in completing work on the framework document setting terms of reference for meat inspection negotiated between the Mexican meat inspection authority, SENASICA, and USDA's Food Safety and Inspection Service. Baker noted that this document could well serve as a model for future such documents that will facilitate trade and enhance competitiveness.

ACTIONS REQUESTED

(SBU) Washington addressees are requested to provide soonest a response to the trial balloon on holding a CCA in the second or third week of April, and a winnowed list of priority agenda items.

COMMENTS

(SBU) Pushing the CCA back from the originally proposed January-February timeframe to April was of course occasioned by the turnover of three under secretaries of agriculture in SAGARPA and the departure of SAGARPA's eminence gris for international affairs, Victor Villalobos, to a new job. This may well be a blessing in disguise as it will give both sides a chance to make progress on at least a few more of the issues on our collective plates. In particular we believe that with some more good-faith negotiating the two sides should be able to resolve the outstanding issues related to the FSIS-SENASICA meat inspection document.

(SBU) With regard to the CSF and END issue, our sense is that the technical levels of SENASICA have been playing both sides against the middle (Economia and the political level of SAGARPA on one side, and APHIS and the rest of USDA on the other) by creatively interpreting the APHIS-SENASICA communications on this touchy subject. We have heard from SENASICA's upper echelons, Economia, and the political level of SAGARPA a shared suspicion that APHIS' non-declaration of certain areas of Mexico free of CSF and END is due to protectionist sentiments in USDA out of sympathy for U.S.

pork and poultry producers. This is a suspicion we ought not to allow to take root, for if it does, a Mexican backlash against perceived protectionism would severely damage U.S. pork and poultry export interests (already under threat in the event of a carousel approach to punitive tariffs due to the trucking issue). With that said, we believe that the issue must be resolved at the technical level, though some political as well as technical pressure on SENASICA may be required to ensure that SENASICA answers completely APHIS' questions (which answers APHIS needs to perform its due diligence). We should also consider offering assistance to the technical level of SENASICA on how to obtain the information needed to answer APHIS' questions.